



J. TYLER McCaULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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February 15, 2007

TO: Supervisor Zev Yaroslavy, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **INTERNATIONAL INSTITUTE OF LOS ANGELES FY 2006-07  
CONTRACT REVIEW - TARGETED ASSISTANCE DISCRETIONARY  
GRANT PROGRAM**

We have conducted a program and fiscal contract review of International Institute of Los Angeles (International or Agency), a Targeted Assistance Discretionary Grant Program (TA or Program) service provider for Fiscal Year 2006-07.

**Background**

The Department of Public Social Services (DPSS) contracts with International, a private non-profit community-based organization, to provide home-based child care certification and licensing training to eligible CalWORKs refugee women who reside in Los Angeles County. The Agency's services include providing intake, assessment and enrollment services, childcare skills and specialized training for home-base childcare licensing, and supportive services for related expenses such as payment of fees for required classes. The population that International serves resides in all five Board Districts.

DPSS pays International a fixed fee for each type of service based on budgeted program costs and anticipated service levels. DPSS paid International approximately \$151,500 for Fiscal Year 2005-06.

*"To Enrich Lives Through Effective and Caring Service"*

### **Purpose/Methodology**

The purpose of the review was to determine whether International has complied with its contract terms and appropriately accounted for and spent program funds in providing services to the eligible participants. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

### **Results of Review**

Overall, International provided services required by the County contract using the appropriate number of staff who possessed the required qualifications. The program participants interviewed stated that the services they received from International generally met their expectations. In addition, the expenses that the Agency billed DPSS were allowable and properly documented.

### **Review of Report**

On January 24, 2007, we discussed our report with International management who concurred with our report. In their attached response, International management indicates agreement with our report. We also notified DPSS of the results of our review.

We thank International for their cooperation and assistance during this review. Please call me if you have any questions or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Bryce Yokomizo, Director, Department of Public Social Services  
E. Stephen Voss, President and Chief Executive Officer, International Institute of  
Los Angeles  
Public Information Office  
Audit Committee

**REFUGEE EMPLOYMENT PROGRAM  
INTERNATIONAL INSTITUTE OF LOS ANGELES  
FISCAL YEAR 2006-2007**

**ELIGIBILITY**

**Objective**

Determine whether International Institute of Los Angeles (International or Agency) provided services to individuals that meet the eligibility requirements of the Targeted Assistance Discretionary Grant Program (TA or Program).

**Verification**

We sampled 20 (12%) of the 164 program participants that received services during July and August 2006 and reviewed their case files for documentation to confirm the participants' eligibility for program services.

**Results**

All program participants sampled were eligible to receive program services. International also maintained appropriate documentation to support the participants' eligibility to receive program services.

**Recommendation**

There are no recommendations for this section.

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether International provided the services billed in accordance with their contract and the program participants received those services.

**Verification**

We reviewed the documentation contained in 20 (12%) program participant case files that received services in July and August 2006. We also interviewed 16 program participants to confirm the services International billed to DPSS were provided.

**Results**

International appropriately provided intake, assessment, training, and supportive services for eligible CalWORKs refugee women. In addition, the program participants stated that the services they received from International met their expectations.

**Recommendation**

There are no recommendations for this section.

**STAFFING QUALIFICATIONS****Objective**

Determine whether International's staff possessed the qualifications required by the contract.

**Verification**

We reviewed the personnel files of seven staff for documentation to confirm staff qualifications.

**Results**

Each of International's staff possessed the required employment eligibility verification, training, reading, writing and speaking requirements identified in the contract.

**Recommendation**

There are no recommendations for this section.

**CASH/REVENUES****Objective**

Determine whether cash receipts and revenue are properly recorded in the Agency's records and deposited timely in the contractor's bank account. Determine whether there are adequate controls over cash, petty cash, and other liquid assets.

**Verification**

We interviewed Agency personnel and reviewed financial records. We also reviewed the Agency's July and August 2006 bank reconciliations.

**Results**

International properly recorded and deposited cash receipts timely in the Agency's bank account. In addition, reconciling items appeared valid and were cleared in a timely manner.

**Recommendation**

There are no recommendations for this section.

**EXPENDITURES/PROCUREMENT****Objective**

Determine whether program related expenditures are allowable under the County contract, properly documented, and accurately billed.

**Verification**

We interviewed Agency personnel, reviewed financial records, and reviewed documentation for nine non-personnel expenditure transactions billed by the Agency for July and August 2006 totaling approximately \$1,060.

**Results**

International's expenses were allowable, accurately billed to DPSS and properly documented as required.

**Recommendation**

There are no recommendations for this section.

**INTERNAL CONTROLS****Objective**

Determine whether the contractor maintained sufficient internal controls over its business operations.

**Verification**

We interviewed Agency personnel, reviewed their policies and procedures manuals, and tested transactions in various areas such as expenditures, payroll and personnel.

**Results**

International maintained sufficient internal controls over its business operations.

**Recommendation**

There are no recommendations for this section.

**FIXED ASSETS****Objective**

Determine whether International's purchases made with program funds are used for the program and that the assets are safeguarded.

**Verification**

We interviewed International personnel and reviewed the Agency's equipment inventory listing. In addition, we also performed a physical inventory of ten assets funded by program funds to verify existence and that the property was being used as required.

**Results**

International's fixed assets purchased with program funding were used for the program.

**Recommendation**

There are no recommendations for this section.

**PAYROLL AND PERSONNEL****Objective**

Determine whether payroll is appropriately charged to the program. In addition, determine whether personnel files are maintained as required.

**Verification**

We reviewed payroll expenditures for seven employees during August 2006, totaling approximately \$3,520. We also interviewed staff and reviewed the personnel files of staff assigned to the program.

**Results**

The Agency program staff salaries were supported with time cards and charged appropriately to the program. In addition, International maintained personnel files in accordance with the County contract.

**Recommendation**

There are no recommendations for this section.

**COST ALLOCATION PLAN****Objective**

Determine whether International's Cost Allocation Plan was prepared in compliance with the County contract and applied to program costs.

**Verification**

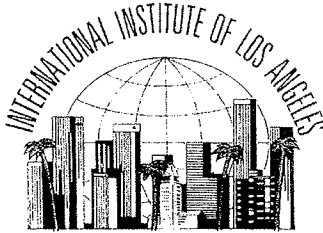
We reviewed International's Cost Allocation Plan and reviewed a sample of expenditures incurred by the Agency during July and August 2006 to ensure that the expenditures were properly allocated to the appropriate programs.

**Results**

International's Cost Allocation Plan was prepared in compliance with the County contract and costs were appropriately allocated.

**Recommendation**

There are no recommendations for this section.



CHAIR - Terry Castañeda  
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PRESIDENT AND CEO, E. Stephen Voss

January 24, 2007

J. Tyler McCauley  
Los Angeles County Auditor-Controller  
500 W Temple, Room 525  
Los Angeles, CA 90012

Dear Mr. McCauley:

**Contract Review Response**

We have reviewed the report issued by your Department and are in general agreement with the findings and recommendations. As there were no findings, we will not be submitting a corrective action plan to the Department of Public Social Services. Please call me if you have any questions at (323) 224-3800.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Stephen Voss".

E. Stephen Voss  
President & CEO

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